INFORMATION LETTER

Not for Publication — NATIONAL CANNERS ASSOCIATION — For Members Only

No. 1333 — Washington, D. C. — April 21, 1951

QMC Requirements of Canned Fish And Other Food Products

Estimated requirements of nonperishable food products to meet the needs of the armed forces were announced April 17 by the Department of Defense. The estimates were prepared by the Quartermaster Corps of the Army, and are tentative and subject to modification. "They are announced in order to assist industry in planning production."

The announcement listed requirements for canned fish, poultry, condiments, spreads and other types of food products.

Procurement of each of these food products will be made by one or more of the Quartermaster Corps procurement agencies or by local procurement. Detailed information on individual procurements under the program, other than those indicated as local procurement, will be announced with the institution of each procurement action.

Nonperishable food products are purchased annually and quarterly. Annually-purchased items include those sufficient for a year's supply and are taken at the same time. In this instance, they are for consumption during the calendar year 1952 with the necessary quantities remaining on hand at the end of the calendar year to provide carryover until next year's supplies are available. Quarterly-purchased items are for consumption in the three months following the

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General Price Regulation

A general manufacturers price regulation, adding specified permissible cost increases to a given base period, is ready for issuance by the Office of Price Stabilization. The order reportedly has been ready for signature for several weeks and may be approved at any time.

The order provides a new pricing formula for some manufacturers, allowing them to compute certain increased costs for labor and materials. The order may cover the pricing of some nonseasonal canned foods.

Meetings of Committees Scheduled during May

Meetings of N.C.A. Committees that will be held in conjunction with the spring meeting of the Board of Directors and Administrative Council are announced.

The N.C.A. Labeling Committee will meet at 10 a.m., Wednesday May 23, at Association headquarters. At the same time, its Technical Advisory Committee will meet with members of the Laboratory staff, and the Labeling groups will come together for a luncheon meeting and afternoon session.

The N.C.A. Statistics Committee will meet at 2 p.m., Wednesday, May 23, at Association headquarters.

The agenda for the Board and Council meetings is being prepared and will deal with the government control programs, including the matter of the June 30 expiration of the price-wage stabilization provisions of the Defense Production Act.

It is urgently requested that Board, Council and Committee members advise the N.C.A. as to their hotel requirements for these meetings. Rooms are available at the Statler and Roger Smith hotels, with only a limited supply available at the Statler for May 23 arrival. Requests for hotel room reservations should be sent promptly to Miss Helen Tate, N.C.A., 1133 20th St., N. W., Washington 6, D. C.

Antitrust Penalties

The House on April 17 passed and sent to the Senate H. R. 2401, to increase criminal penalties under the Sherman Act from a maximum of $5,000 for each transgression to a maximum of $50,000.

Vegetable Set-Asides Ordered; Order on Fruits Expected Soon

With the issuance of DFO-2 and Sub-Order 1, the Production and Marketing Administration of USDA has not only established the amount of 1951-pack of canned vegetables that must be set aside for government use but also has established the framework for set-asides of all processed foods to meet the requirements of all government agencies.

Defense Food Order 2 delegates to the Director of the Fruit and Vegetable Branch authority to issue orders designating the particular processed foods and quantities of each to be set aside. Pursuant to this delegation, the Director issued Sub-Order 1, listing canned vegetable set-aside requirements for 1951.

Both orders were issued April 13, and complete texts are being mailed as a Supplement to this issue of the INFORMATION LETTER.

No order has been issued for canned fruits but one will be forthcoming at an early date.

Under the set-aside program, the Quartermaster General of the Army and his authorized designees (Chicago and Oakland purchasing offices and field buyers) are designated as purchasers of the canned foods set aside and reserved for the government.

A summary of DFO-2 and Sub-Order 1 is on page 180.

Farm Labor Supply Bills

Similar bills designed to provide a government program for the importation of Mexican agricultural workers are expected to come before the Senate and House for debate some time next week.

Favorable reports on the two measures, S. 984 and H. R. 3283, have been filed by the Senate and House Agriculture Committees, and the House Committee has asked the Rules Committee for floor clearance.

As originally proposed, the bills might have applied to all workers from the Western hemisphere. Following House and Senate hearings,

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DEFENSE

USDA Advisory Committee For Canned Fish Industries

Membership of three industry advisory committees to consult with the U. S. Department of Agriculture on special problems arising from the defense program was announced April 13 by Secretary Brannan.

The Committees are the California Canned Fish Industry Advisory Committee, the Canned Salmon Industry Advisory Committee, and the East Coast and Gulf Canned Fish Industry Advisory Committee. George L. Prichard, Director of the PMA Fats and Oils Branch, will be chairman and Lawrence A. Grogan, also of the Fats and Oils Branch, will be vice chairman of all three groups.

Industry members of the advisory committees are:

California Canned Fish Industry Advisory Committee

Mel D. Marsh, South Pacific Canning Co., Long Beach, Calif.

Sal Ferrante, Oxnard Canners, Inc., Monterey, Calif.

Arthur Mendonca, F. E. Booth Co., San Francisco, Calif.

Donald P. Loker, High Seas Tuna Packing Co., San Diego, Calif.

Gilbert Van Camp, Van Camp Sea Food Co., Terminal Island, Calif.

D. T. Saxby, California Packing Corp., San Francisco, Calif.

Barney Kitchens, Custom House Packing Co., Monterey, Calif.

Wade Ambrose, Westgate-Sun Harbor Co., San Diego, Calif.

Leland S. Irish, Coast Fisheries, Div. of Quaker Oats Co., Wilmington, Calif.

Albert Vignolo, West Coast Packing Co., Long Beach, Calif.

Phelps Hollywood, Carmel Canning Co., Monterey, Calif.

Canned Salmon Industry Advisory Committee

C. F. Johnson, Port Ashton Packing Corp., Seattle, Wash.

Vance F. Sutter, Fidalgo Island Packing Co., Seattle, Wash.

H. L. Scott, Pacific-American Fisheries, Inc., South Bellingham, Wash.

T. F. Sandoz, Columbia River Packers Association, Inc., Astoria, Ore.

C. L. Rogers, Point Adams Packing Co., Hammond, Ore.

J. N. Plancich, Fishermen's Packing Corp., Anacortes, Wash.

J. C. Jackson, John C. Jackson, Inc., Friday Harbor, Wash.

C. D. Alhadeff, Whiz Fish Products Co., Seattle, Wash.

Frank Wright, Pyramid Fisheries Co., Seattle, Wash.

Oscar Bergseth, New England Fish Co., Seattle, Wash.

H. A. Fleager, Alaska Pacific Salmon Co., Seattle, Wash.

G. V. Graham, Libby, McNeill & Libby, Seattle, Wash.

H. B. Friele, The Nakat Packing Corp., Seattle, Wash.

E. O. Paup, P. E. Harris & Co., Seattle, Wash.

W. C. Coyne, Annette Island Canning Co., Seattle, Wash.

East Coast and Gulf Canned Fish Industry Advisory Committee

Milroy Warren, R. J. Peacock Canning Co., Lubec, Me.

M. B. Pike, Holmes Packing Corp., Eastport, Me.

Frank Lawrence, North Lubec Mfg. & Canning Co., North Lubec, Me.

Andrew Haskins, Haskins Canning Co., Lubec, Me.

G. A. Lawrence, Belfast Packing Co., Belfast, Me.

George Seybolt, William Underwood Co., Watertown, Mass.

Fritz Bundy, Gorton-Pew Fisheries Co., Ltd., Gloucester, Mass.

George Harrison, The Tilghman Packing Co., Tilghman, Md.

Sterling Harris, Blue Channel Corp., Beaufort, S. C.

H. R. Robinson, Robinson Canning Co., Inc., New Orleans, La.

Julian McPhillips, Southern Shell Fish Co., Harvey, La.

Reginald H. Sewell, DeJean Packing Co., Biloxi, Miss.

Secretary Brannan also announced membership of a Fresh and Frozen Fish Industry Advisory Committee.

Jesse W. Tapp Joins ESA

Jesse W. Tapp, formerly with the U. S. Department of Agriculture and more recently with the Bank of America, has joined the staff of Eric Johnston, ESA Administrator, as special advisor on agricultural stabilization problems.

His duties with ESA will concern agricultural pricing policy; policies involving the availability of such supplies as metals, equipment and fertilizer for use as part of the stabilization program; and liaison between ESA and USDA, NPA, DPA and other government agencies concerned with agriculture.

Mr. Tapp was in Washington from 1933 to 1938 and again in 1943, serving as a director of CCC and FCIC, as president of the Surplus Commodities Corp., associate administrator of the AAA, and Associate War Food Administrator.

MRO Amendment

Certain scarce materials have been removed from the list of products which business has been obtaining through the use of the DO-97 for maintenance, repair and operating supplies. This action was taken by the National Production Authority with the April 16 amendment of Regulation 4.

The following materials have been excluded from application of DO-97 rating: chemicals, nylon fiber and yarn, packaging materials and containers, paper and paper products, paperboard and paperboard products, paint, lacquer, and varnish, certain durable goods as rubber tires and tubes.

Further changes in Regulation 4 are being considered, NPA said, in addition to this interim action, but it is not expected that the additional changes will affect the above listed items.

NPA Organization for CMP

Industry divisions in the National Production Authority were realigned and an administrator was appointed this week to supervise operation of the Controlled Materials Plan.

The industry divisions were realigned so as to give division directors greater representation in policy determinations and to provide a framework adequate for meeting NPA's responsibilities in carrying out CMP.

Designated to supervise operational procedures of the CMP is Walter C. Skuce, who is on leave from his post as manager of the Transportation Products Division of the Owens-Corning Fiberglas Corporation in Toledo. He had a similar responsibility during World War II and has been serving as staff assistant to the NPA Administrator since last December, having headed the staff which developed the CMP.

In the realignment the NPA industry divisions are grouped according to their relationship and industry, under four Assistant Administrators who will constitute, in effect, an executive committee.

Horace B. McCoy and Franz T. Stone will head two of the Bureaus. An Assistant Administrator to head the Metals and Minerals Bureau, which includes the Tin, Lead and Zinc Division, and an Assistant Administrator to head the Chemical, Rubber and Forest Products Bureau, which includes the Containers Division, have not been named.

Packaging Closures, M-26

The use of tinplate closures remains unlimited, but the use of aluminum closures was restricted to 100 percent of each user's actual use during each quarter of 1950, under NPA order M-26, as amended April 6.

The order also restricts the maximum inventory of aluminum and tinplate closures that may be held by packers to a 75-day supply; and sets forth tinplate specifications for closures according to container use.

Forms on which packers may file application for adjustment, NPAF-50, are scheduled to be available next week.

NPA Can Order

The N.C.A. has received a number of requests for an interpretation of the order as to its broad intent with respect to the use of tinplate containers. A major addition to the April 6 amendment to M-25 was the preference delivery schedule given to the individual items. Main emphasis was given to the unlimited packing of perishable products, which receive first preference for cans after DO rated orders. Because of the apparent decreased inventory of tinplate in the hands of steel mills, food products of a highly perishable nature receive first call for containers.

A perishable product, for example peas, was given preference over a product such as carrots, on the basis of their relative perishability. Manufacturers' delivery schedules are set up by the order: DO orders first; "A" preference items second; and "B" items third. If can manufacturers are unable to fulfill orders for all "B" items, the supply of containers must be equitably distributed among all packers of "B" items and to users of blackplate. If such a container shortage occurs, the maximum pack of any item carrying a "B" preference is 100 percent of 1949 or 1950, whichever the canner selects as his base year.

The NPA asks that packers of items which are not included in M-25 file an appeal that they may have this information on hand for consideration.

Study of the effect of this order on the canning industry is being continued by the NPA and the USDA. The INFORMATION LETTER of April 14 reported the addition of mustard greens to Item 61 and round cans to Item 104 for the canning of herring and other fish in tomato or mustard sauce.

The NPA this week advised the N.C.A. of a typographical error in the can order, M-25, which relates to the use of DO rating for canned foods. Section 9 of the order, part (e), should read "(1) Orders having a DO rating are exempt from the restrictions of Section 6 of this order on the amount of cans that may be accepted." Correction of this error now places DO orders as ex-quota.

Farm Machinery Procurement

The appointment of A. King McCord of Chicago as Director of the Agricultural Machinery and Implement Division of the National Production Authority was announced April 18 by Manly Fleischmann, NPA Administrator. Mr. McCord is president of the Oliver Corporation, manufacturer of farm equipment.

Mr. McCord will be responsible for NPA's part in developing and administering programs to provide farm machinery for the nation's food and fibre production goals. He will work closely with the U. S. Department of Agriculture in arranging for procurement by farm equipment manufacturers of materials, components, and supplies.

Tentative Amortization Rules

The Bureau of Internal Revenue on April 13 issued tentative regulations prescribing the methods of tax accounting to be employed by taxpayers in amortizing facilities constructed under the authority of necessity certificates (Section 124A of the Internal Revenue Code). The regulations were published in the *Federal Register* of April 13.

How To Obtain Best Service From Food Cans

Under separate cover, members will receive a copy of a new bulletin entitled *How to Obtain Best Service from Food Cans*, just issued by the Can Manufacturers Institute.

In view of renewed restrictions on the use of tin, the C.M.I. has brought up to date the bulletin originally issued in 1942, at that time entitled *How the Canner May Obtain Maximum Service with War-Time Cans.* In the intervening period, types of tinplate which were then regarded as innovations have become standard, and the bulletin has been revised accordingly.

Additional copies may be obtained on request to N.C.A. headquarters.

PMA Staff Organization

Gus F. Geissler, Administrator of the Production and Marketing Administration, USDA, on April 5 announced the following reassignments of officials within the agency:

Roy W. Lennartson is returned to his former position as Deputy Assistant Administrator for Marketing. He has been serving since March 8 as Director of the Office of Materials and Facilities.

L. B. Taylor, who has been serving as Director of the Agricultural Conservation Program (ACP) Branch since March 8, is returned to his former position as Director of the Office of Materials and Facilities.

Thomas B. Joyce, Deputy Director of the ACP Branch, will serve as Acting Director of that Branch.

INSPECTION

Federal Meat Grading Service

The U. S. Department of Agriculture on April 18 announced that effective April 23 grading fees charged for the federal meat grading service will be increased from $3.00 to $3.60 an hour. The increase is being made to provide sufficient revenue to equal the cost of the service, USDA said.

Forthcoming Meetings

April 22-25—United States Wholesale Grocers' Association, Convention and Food Distribution Exposition, Miami Beach, Fla.

May 11—Ozark Canners Association, Spring Meeting, Severs Hotel, Muskogee, Okla.

May 23-24—National Canners Association, Spring Meeting of Board of Directors and Administrative Council, Washington, D. C.

June 3-4—Michigan Canners Association, Spring Meeting, Park Place Hotel, Traverse City

June 12-13—Maine Canners Association, Summer Meeting, Lakewood, near Skowhegan

June 27-29—National Pickle Packers Association, Midyear Meeting, Sheraton Hotel, Chicago

July 16-27—Indiana Canners Association, Annual Mold Count School, Purdue University, Lafayette

August 1-10—Association of New York State Canners, Inc., 14th Annual Mold Count School, Jordan Hall, Geneva Experiment Station, Geneva

October 24-26—National Pickle Packers Association, Annual Meeting, Sheraton Hotel, Chicago

November 15-16—Indiana Canners Association, Annual Convention, French Lick Springs Hotel, French Lick Springs

November 19-20—Pennsylvania Canners Association, Annual Convention, Penn Harris Hotel, Harrisburg

LABOR

Written Assurance 'Protection' against 'Hot Goods' Penalties

An open session on the problems resulting from employment of minors in the production of crops for canning was held at the Canners Convention in Chicago in February. The purpose of this session was to acquaint canners with some of the problems that confront them arising out of the possible employment of child labor by growers and to suggest methods whereby they can obtain protection against "hot goods" by actions by the Labor Department by taking advantage of the "written assurance" procedures provided in the Fair Labor Standards Act. Since many canners were unable to attend this session, and the problem is one of considerable interest to them, a brief summary of the points discussed at the session is here presented.

Oppressive Child Labor

The Fair Labor Standards Act directly prohibits the employment of "oppressive child labor" in the production of goods for shipment in interstate commerce. In general, "oppressive child labor" is defined as the employment of children under 16. There is no general exemption of agricultural labor from the child labor requirements of the Act as there is from the minimum wage and overtime requirements. There are, however, two important exceptions to this prohibition against employment of "oppressive child labor" as defined by the Act. A child under 16 may be employed in agriculture outside of school hours for the school district where he is living while he is so employed, or he may work for his parents or guardians in occupations other than manufacturing or mining, including agriculture.

The first of these two exceptions to the 16-year minimum requirement is the result of a change brought about by the 1949 amendments to the Act. Prior to the amendments, children under 16 could be employed in agriculture whenever they "were not legally required to attend school." This provision was troublesome to administer because of the variations in attendance requirements from state to state and the difficulty in determining in many cases which state laws were applicable. The present language is the result of the Labor Department's efforts to establish a simpler test for determining permissible employment.

The second exception, commonly referred to as the parental exception, applies only in those cases where the child is *exclusively* employed by his parents or a person standing in his parents' place. As applied to agricultural employment, it permits children under 16 to work for their parents *on their parents' farms* at any time and without regard to whether or not the local schools are in session.

Enforcement of the Child Labor Prohibitions

Two means are provided for giving effect to the child labor prohibitions of the Act. Inasmuch as it is now a *direct* violation of the Act to employ "oppressive child labor" in the production of goods for interstate commerce, a farmer or a canner-grower can be subjected to legal action by the Wage and Hour Administrator for failing to comply with the restrictions on the employment of child labor.

The Act also contains provisions commonly referred to as the "hot goods" provisions. One of these, contained in Section 12(a) of the Act, makes it illegal for any producer, manufacturer, or dealer to ship or to deliver for shipment in interstate commerce any goods produced in establishments in the United States in or about which "oppressive child labor" was employed within 30 days before removal of the goods from the establishment. This provision applies to secondary parties in the chain of distribution. Canners, therefore, may be subjected to injunctions or criminal prosecutions if the violation is willful, for shipping in interstate commerce processed foods, the raw material for which has been obtained from farms on which child labor violations have taken place within 30 days prior to the delivery of the raw produce to the canner.

The ban on the shipment of processed foods legally declared to be "hot goods" by virtue of the grower's failure to comply with the child labor requirements is not new to the Act. Provisions for injunction proceedings and criminal penalties were contained in the original Act in 1938. The Administrator has, however, rarely availed himself of his powers under these provisions and, for the most part, "hot goods" actions have been instituted by the Administrator only in cases where the secondary party in the chain of distribution has, for all practical purposes, conspired with his supplier in gross and flagrant violations of the Act.

Nevertheless, the unqualified nature of the authority so granted to the Administrator resulted in an attempt by Congress in the 1949 amendments to the Act to afford some protection to innocent persons acting in good faith. Section 12 of the Act was amended to provide that a purchaser who acquired goods for value without notice of any violation of the child labor provisions of the Act and who did so "in good faith in reliance on written assurance" from the supplier to the effect that the goods were produced in compliance with the Act, could not be subjected to the Act's penalties for shipping such goods in interstate commerce. A similar amendment to Section 15 was included to offer protection to persons acting in good faith in reliance on written assurance that goods were produced in compliance with the wage and hour requirements of the Act.

The Administrator's Interpretation

To guide the Wage and Hour Division in the performance of its administrative duties until otherwise directed by court decisions, the Administrator on August 5, 1950, issued Interpretative Bulletin, Part 789, which expressed his views on the requisites of a written assurance procedure which would provide protection to an interstate shipper against "hot goods" actions.

Briefly summarized, these requirements are as follows:

(1) The assurance must be accepted without knowledge that a violation has taken place in the supplier's establishment, *i.e.*, on the grower's farm;

(2) The assurance must be accepted "in good faith", *i.e.*, without a basis as a reasonable man for believing that the grower has not complied with the Act;

(3) The assurance must be received at a point in time subsequent to full performance by the supplier, *i.e.*, after the complete harvesting and delivery to the canner of all produce to which the certificate refers; and

(4) The goods must be accepted from the supplier "in reliance on" the affirmations of compliance contained in the written assurance and the assurance must be given "as a part of the transaction" by which the goods are acquired, *i.e.*, before the delivery of the produce to which the certificate refers has been finally accepted.

It should be noted that the assurances described must be in writing *from* the producer. Thus the inclusion by the canner of a certificate or guarantee on documents furnished by him to the grower is insufficient.

The third and fourth requirements of the Administrator listed above do suggest definite procedural steps that a canner should take, in acquiring his raw produce from growers, to secure the maximum protection afforded by the written assurance provisions of the Act.

Clearly an individual certification given by the grower to the canner at the time of delivery of each lot of produce would be the most desirable procedure. It is obvious, however, that the procurement methods of can-

ners vary greatly and that this is not feasible in many cases. The procurement of some canners may be of such a nature that it is only feasible to secure a written assurance from the grower following the completion of all or a separable part of the grower's performance under a contract. In such cases the inclusion of a statement in the contract between the canner and grower that assurances will be furnished upon completion of seller's performance is necessary. The contract guarantee of subsequent delivery of the assurance to a considerable extent nullifies the justification for the requirement that the written assurance be received "as a part of the transaction" by which each individual lot of produce is acquired. The Division has indicated that in most instances it will not take exception to such procedure.

Recommended Procedures

Because of the variation in procurement methods of canners, several alternative procedures based on the above interpretations are suggested in the order of preference.

(a) If individual lots of raw produce received at a cannery are accompanied by load manifests or other papers designating the lot in question, canners should instruct their growers to stamp on all such accompanying documents the following certification:

"We hereby certify that these [crops] were produced in compliance with all applicable requirements of Sections 6, 7 and 12 of the Fair Labor Standards Act, as amended, and of regulations and orders of the United States Department of Labor, issued under Section 14 thereof."

While certification as to compliance with Sections 6 and 7 of the Act is unnecessary in the event that all of the grower's employees are engaged in purely agricultural pursuits, the full certification is recommended as a method of avoiding any complications resulting from the employment of additional non-farm personnel. The Division does not require that the certification be in the handwriting of the grower or attested by his personal signature. This procedure more nearly complies with the interpretation offered by the Administrator and canners are urged to adopt it whenever it is administratively feasible. The essence of this procedure is that the stamped certification be supplied by the producer of the raw material with each delivery.

(b) Since many canners obtain their produce from farmers under circumstances whereby the farmer is unable to supply accompanying documents with each delivery, compliance with the procedure outlined in (a) above may be impractical. In such cases, protection may be achieved by obtaining the signature of an authorized employee of the grower on a certificate supplied by the canner upon each delivery. Thus, if the produce is delivered by employees of the grower and it is the canner's practice to supply the trucker with a weigh slip indicating the quantity of produce received, the canner should stamp the certification on each such weigh slip and obtain the signature of the trucker or other employee of the grower on the canner's copy at the time of delivery. Since questions may arise as to the authority of the grower's employees to certify as to the production of the crops in compliance with the Act, it is recommended that the canner obtain from the grower and keep on file a signed statement certifying the authority of such employees to act for him in signing the certifications.

(c) In the event that neither of the procedures suggested in (a) or (b) above can be practically applied to a canner's procurement operations, he should follow a practice of securing written assurance from his grower upon completion of delivery of the produce coupled with insertion of the following clause in his contract with the grower:

"Seller guarantees that all [produce] covered by this contract will be produced in compliance with all applicable requirements of Sections 6, 7 and 12 of the Fair Labor Standards Act, as amended, and of regulations and orders of the United States Department of Labor issued under Section 14 thereof, and seller further guarantees that, upon completion of seller's performance as called for by this contract, seller will promptly deliver to the buyer a written certificate to the effect that such requirements have been complied with."

Variations of this language may be employed to fit the individual circumstances or to conform the clause to the qualifications discussed below. The purpose of such a provision in a canner's contract with his grower is to correlate the written assurance procedure with the statutory requirement that the goods must be acquired "in reliance on" the written assurance.

The Wage and Hour Division has indicated that if the harvesting period for the particular crop contracted for extends over a considerable period of time, or if two or more distinct harvesting periods are called for, or if the produce called for by a single contract is to come from separate and distinct farm units, they can offer no guaranty of the sufficiency of a single certificate covering the whole contract production. In such cases, greater assurance of immunity will be obtained by increasing the number of assurances and by limiting the certification involved in each to a shorter period of time, a particular harvesting period, or the production of an individual farm unit.

TRAFFIC

Heavy Loading of Freight Cars Stressed by RMA Committee

The importance of heavier loading of freight cars has been emphasized again, this time by the Transportation Advisory Committee operating under the Research and Marketing Act.

Studies of problems in connection with heavy loading were given top priority at the meeting of the committee in Washington April 11-13.

Anticipating the probability of regulations requiring the heavier loading as a result of the defense emergency, the committee felt that it is important to know how much breakage and loss of product quality might result. And, as larger loads should reduce costs per ton of product shipped, the committee urged exploration of possibilities of rate reductions for heavier loads of agricultural products.

In addition to studies of heavy loading, these lines of work were recommended:

"(a) Develop an improved method of obtaining a continuous record of the extent of freight car delays; (b) Bring up to date the information of the effect upon agriculture of federal excise taxes on transportation of freight; (c) expand research and educational work to prevent bruising, and assure proper handling of perishable products; (d) determine the amount of weight shrinkage, if any, in various prepackaged products between shipper and consumer; (e) develop a handbook for shippers on the kind of protective service required during transportation by various products under various weather conditions; (f) conduct studies to develop lightweight truck bodies that will provide proper protection for farm products."

New Association Members

The following firms have been admitted into membership in the N.C.A. since March 10, 1951:

THE MINISTER CANNING COMPANY, Minister, Ohio. *Products*—Tomatoes, tomato puree. *Officer*—Luke F. Beckman, owner.

NITTANY PACKING COMPANY, INC., Centre Hall, Pa. *Products*—Whole kernel corn, peas. *Officers*—A. Roland Thompson, president and treasurer; Mae M. Thompson, secretary.

THE REESE PRESERVING COMPANY, Eola, Ill. *Products*—Asparagus, beans, (green lima, red kidney), pork and beans, sauerkraut. *Officer*—J. W. Reber, Jr., secretary.

SKILAK PACKING COMPANY, Edmunds, Wash. *Factory*—Floating cannery, M/V Skilak. *Products*—Crab meat, salmon. *Officer*—Paul B. Stout, manager.

SCOW BAY CANNING CO., 76 University St., Seattle 1, Wash. *Factory*—Scow Bay, Alaska. *Product*—Salmon. *Officer*—Gerald Oaksmith, partner.

PROCUREMENT

Summary of Basic Order and Vegetable Set-Aside Order

Following is a summary of the provisions of Defense Food Order 2 and DFO-2, Sub-Order 1, issued by the Production and Marketing Administration on April 13 and initiating a set-aside program on 1951 packing operations:

DFO-2

DFO-2 is a general delegation to the Director of the Fruit and Vegetable Branch of PMA of "authority to issue orders designating processed foods to be subject to set asides, the quantities required to be set aside, and the conditions under which commodities shall be set aside."

Under DFO-2, processors are directed to set aside and reserve for the government such quantities of processed foods as the Director of the Fruit and Vegetable Branch may specify. Foods so set aside are to be held until released by the Director. Section 2 states that "the set aside requirements of this order are not, and shall not be deemed to be, a contract or commitment by government agencies to purchase any processed food unless and until a contract is entered into for that purpose."

The Director is authorized to specify the processed foods to be set aside; to specify the respective quantities of such foods (including types, styles, varieties, grades, and container sizes and types) to be set aside; to specify the respective packs to be used in computing the quantities to be set aside; to designate authorized purchasers for the government; and to release any processed foods from set-asides if not required by government agencies.

DFO-2 specifically provides that any set-aside requirement established pursuant to it shall be observed regardless of any existing or future contract obligations of canners or other processors.

The Director is authorized to require such reports and recordkeeping as may be necessary. All canners subject to the order are required to maintain for at least two years, or for such additional time as the Director shall prescribe, accurate records of their transactions in and use of processed foods. The Director is authorized to make an audit and inspection of the books, records, premises and stocks of processed foods and such other investigations as may be necessary.

Penalties for violations are provided. A canner who violates any provisions of the order may be prohibited from receiving, making deliveries of, maintaining inventories of and using processed foods. In addition, if the violation is willful, he may be subjected to criminal action.

If a canner considers that compliance will work an exceptional hardship, he may file a petition for relief with the Director of the Fruit and Vegetable Branch. Section 8 prescribes that petitions shall be in writing and must set forth all pertinent facts and the relief sought. The Director may take such action as he deems appropriate but if the petitioning canner is dissatisfied with the action taken by the Director, a review by the Administrator of the PMA may be obtained. Any action by the Administrator is final.

DFO-2 is applicable to the 48 states, the District of Columbia, and such territories and possessions as the Director may specify, and was effective April 17, 1951.

The provisions of DFO-2, described above, will apply to any set-aside order issued by the Director of the Fruit and Vegetable Branch. Sub-Order 1, prescribing set-asides for certain 1951-canned vegetable packs, is a part of this order.

DFO-2, Sub-Order 1

DFO-2, Sub-Order 1, names the canned vegetables which are required to be set aside out of the 1951 pack and reserved for procurement by the government. The Quartermaster General of the Army and his designees are designated as authorized purchasers of the vegetables set aside and reserved under the order.

The percentages of canned vegetables from the 1951 pack to be set aside and reserved for the government are:

Asparagus	12
Beans, lima	25
Beans, green or wax	14
Carrots	27
Corn, sweet	15
Peas, green	15
Pumpkin	17
Sweet potatoes	22
Tomatoes	20
Tomato catsup	16
Tomato paste	17

Section 2 of the order outlines the methods for arriving at the set-aside quota for each canned vegetable item. The aggregate quantity of any particular item to be set aside is determined by applying the percentage to the "base pack" and "quota period pack." The smaller of the two resulting amounts is the canner's set-aside quota.

The base period for determining the "base pack" is defined as the two-year period beginning January 1, 1949, and ending December 31, 1950. For canners who produced an item both in 1949 and 1950, the "base pack" is half of the total of the two years' packs. If a canner produced an item in only one of the years, his "base pack" is the production for that year. If a canner did not pack an item in either 1949 or 1950, his "base pack" is to be the amount of his "quota period pack," which is defined as the aggregate amount produced in the period January 1, 1951, through December 31, 1951.

Any canner whose aggregate set-aside quotas for all canned vegetables amount to less than one carload is exempted from the provisions of the order.

Section 3 prescribes the time schedule for accumulating the set-aside quotas as the season progresses. A canner is required to set aside and reserve half of his quota for any canned vegetable not later than the date on which his 1951 production of that item equals 40 percent of his "base pack." The full quota must be set aside and reserved no later than the date on which his 1951 production of the item equals 80 percent of the "base pack." The canners who did not pack a given item in 1949 or 1950 and who use their 1951 "quota period pack" as their "base pack" must apply these percentages against their estimates for 1951.

Within 30 days from April 17, the effective date of the order, each canner subject to the order must file with the Director of the Fruit and Vegetable Branch a report on DFO Form-3 showing with respect to *each* canned vegetable produced by him during *each* year of the "base period" the following information:

1. Date, name and address of the processor.

2. Total quantity in terms of dozens of containers by container types and sizes.

Any canner who proposes to produce this year any canned vegetable subject to the set-aside which he did not produce in 1949 or 1950 must file within 30 days from April 17 a report on DFO Form-3 stating his estimates of production for the 1951 quota period.

Within 10 days after completion of the 1951 pack of each vegetable covered by the order, an additional report on DFO Form-3 must be filed, showing actual production for the year.

USDA will compute each canner's set-aside quantity from the information furnished on DFO Form-3.

The composition of the quantities to be set aside, as to grade and container sizes, is not prescribed in the order. However, government preferences with respect to types, styles, grade and container sizes and types for each canned vegetable are indicated.

SUPPLIES

Shipments of Metal Cans

Shipments of metal cans for selected food products for February, 1951, are reported by the Bureau of the Census, U. S. Department of Commerce, as follows:

	Jan. 1951	Feb. 1951	Feb. 1950
	(in short tons of steel)		
Fruit and vegetable (including juice)	56,066	51,168	41,929
Fish and seafood	5,833	5,250	3,550
Meat including poultry	9,188	8,799	6,748

Shipments of all cans were 2 percent above January and 21 percent above February of last year.

Shipments of Metal Closures

Shipments of commercial metal and plastic caps amounted to 1,318 million units in January and 1,328 million units in February, according to a report by the Bureau of the Census, U. S. Department of Commerce. The February shipments were 47 percent over the February, 1950, figure.

Insecticides and Fungicides

"Production of insecticides and fungicides in 1951 is likely to fall somewhat short of demand," it is reported in *The Farm Cost Situation* issued by the Bureau of Agricultural Economics, USDA.

Carryover stocks last September were the lowest since 1946, and production in 1951 will be limited by the short supplies of such raw materials as chlorine, benzene and sulfur.

PUBLICITY

Parade Magazine

Canned peaches were described as a food feature in the April 15 edition of *Parade*, a Sunday newspaper magazine. The article, "Peach Gold Chiffon Cake," by Beth Merriman, *Parade* food editor, said: "Salute to spring—a fluffy, golden cake with elusive, delicious flavor that comes from using sieved canned peaches! Other peaches, minted and served with the Peach Gold Cake, make a perfect dessert."

Under a large photograph showing the Peach Gold Cake and bowl of minted peaches, the caption reads: "One can of peach halves will make both."

Guide for the Use of Canned Foods in Emergency Feeding

Under separate cover, members will receive a copy of the new leaflet, *Guide for the Use of Canned Foods in Emergency Feeding*, issued by the N.C.A. Home Economics Division.

With the spotlight turning on canned foods in civil defense, the N.C.A. has received numerous requests for information about the place and use of canned foods in emergency feeding. The new leaflet is designed to meet this demand.

The leaflet is being offered to home economics teachers and dietitians who are expected to take an active part in civil defense emergency food service training. It also is being mailed to newspaper food editors, radio broadcasters of women's programs, magazine food editors, and key business home economists.

QMC Requirements

(Concluded from page 175)

month of delivery with the necessary quantities for carryover remaining on hand at the end of the quarter.

Requirements of selected food products, of concern to canners, are estimated tentatively as follows:

Item	Quantity	Time of Purchase	Purchasing Office
	(million pounds)	*(1)*	*(2)*
Canned Fish:			
Salmon	17.3	(a)	O
Shrimp	.4	(r)	L
Tuna	4.7	(a)	O
Canned Poultry:			
Chicken, boned	3.1	(a)	C
Turkey, boned	3.1	(a)	C
Spices, Extracts, Condiments:			
Chili sauce	.4	(r)	L
Worcestershire sauce	1.1	(r)	L
Vinegar, 40-grain	8.3	(q)	C
Spreads:			
Applebutter	6.4	(q)	C
Jam	45.2	(q)	C
Jelly	31.6	(q)	C
Miscellaneous:			
Cranberry sauce	7.0	(a)	C
Mincemeat	2.1	(q)	C
Olives	5.2	(a)	O
Soup, canned	1.5	(q)(r)	C, L

(1) Time of purchase: (a) annually; (q) quarterly; (r) purchased as required to meet requisitions.

(2) Purchasing offices: C—Chicago Quartermaster Depot, 1819 West Pershing Road, Chicago 9, Ill.; attn: QM Purchasing Division. O—Oakland Quartermaster Procurement Agency, Oakland Army Base, Oakland 14, Calif.; attn: QM Purchasing Division. L.—Locally procured by stations.

STATISTICS

RSP Cherry Stocks

A report on canners' stocks and shipments of canned RSP cherries has been compiled by the N.C.A. Division of Statistics and detailed reports have been mailed to all canners packing that item.

RSP Cherry Stocks and Shipments

	1949–50	1950–51
	(actual cases)	
Carryover, July 1	.....	30,832
Pack	3,445,323	5,022,951
Total supply	3,445,323	5,053,283
Stocks, April 1	432,396	429,983
Shipments during March	266,793	238,068
Shipments, July 1 to April 1	3,012,927	4,623,350

1950 Pack of Sweet Potatoes

The 1950 pack of sweet potatoes amounted to 3,467,395 actual cases as compared with 2,561,403 cases packed in 1949, according to a report issued by the N.C.A. Division of Statistics.

State	1949	1950
	(actual cases)	
Md., Va., and N. J.	1,460,658	1,972,433
La., Miss., and Ala.	896,861	1,254,844
Other states	203,884	240,118
U. S. Total	2,561,403	3,467,395

	Solid Style	Syrup Style	Vacuum Style
	(actual cases)		
No. 2	3,000	304,265	.....
8 oz.	.....	221,987	.....
No. 2½	12,013	1,042,483	.....
No. 10	78,777	298,287	.....
No. 3 Vac. (squat)	15,637	684,993	706,434
Misc.	3,682	100,887	.....
Total	108,109	2,652,852	706,434

1950 Pack of White Potatoes

The 1950 pack of white potatoes amounted to 1,535,018 actual cases as compared with 1,471,301 cases packed in 1949, according to a report issued by the N.C.A. Division of Statistics.

Can Size	East	West
	(actual cases)	
24/2	552,782	539,073
48/2Z	48,207	8,604
24/303	8,207	53,214
24/2½	1,062	4,951
6/10	56,275	76,373
Glass	8,894	.....
Misc. tin	.....	178,376
Total by area	672,427	862,591
U. S. Total	.....	1,535,018

CONGRESS

House Agriculture Committee To Study Parity Relationship

Secretary Brannan will appear before the House Committee on Agriculture on April 24 to discuss farm prices and farm income and their relationship to the price of food and the government's stabilization program.

The Secretary is appearing at the Committee's invitation "to try to clear up some of the misunderstanding that seems to exist about farm parity and its relationship, if any, to the cost of food and other consumer items," according to an announcement by Representative Cooley (N. C.), chairman of the Committee. His statement said further:

"There can be no doubt that retail prices of some agricultural commodities and the products made from those commodities are unfortunately high. Among these commodities are beef, wool, and cotton. We want the Secretary to face this situation squarely and to tell us, if he can, why these commodities are selling at their present high levels and what can be done to reduce the price.

"There are many other agricultural commodities which are still selling far below parity and suggestions are being heard from many quarters that the government take advantage of this situation and freeze farm prices at less than a fair price as it has been measured for years by the parity yardstick.

"Some of these proposals have come from responsible officials of the government and we want the Secretary to tell us exactly where the Department of Agriculture stands on these proposals.

"All of us, as consumers, are naturally concerned with the price of food and other necessities that go into the cost of living. As consumers, we would like to buy the things we need as cheaply as we can. It would be very pleasant if we could enjoy our 1951 wage and income levels and still buy food at 1939 prices.

"Unfortunately, economics simply does not work that way and we have asked the Secretary to give us a careful review of exactly where the 1951 consumer stands—with his present salary and income—in comparison to the consumers of past years with the incomes and food costs of those years.

"The Committee is also concerned with the various proposals which are being made, both in and out of the government, to impose further restrictions and limitations upon farmers and farm prices.

"If we learned any one lesson from experience in World War II, it is that scarcities of foods and other necessities are the worst thing that can happen to the consumer. As long as there is an ample supply of foods and other commodities, prices, distribution and use of those commodities can be controlled and stabilized reasonably well. But when scarcities—either real or artificially treated—develop in any commodity, neither price control nor any other governmental regulation can be carried on effectively.

"The Committee hopes sincerely that this sort of situation can be avoided now, and it has asked the Secretary to discuss frankly and fully with the Committee and with the American people the level of agricultural prices necessary to bring about abundant production of the things consumers want."

Chairman Cooley said that following the appearance of Secretary Brannan the Committee expects to take up the functions and activities of various bureaus and agencies of the Department of Agriculture, one by one, in order to study and review their operations in the light of the changing conditions presented by the defense emergency.

Farm Labor Supply Bills

(Concluded from page 175)

however, Committees decided to restrict the program to the Republic of Mexico and not provide for any change in the present method under which agricultural workers are recruited from other foreign sources.

Meeting of Competition

S. 719, a bill designed to clarify the right of sellers to competitive freight absorption, is scheduled for executive consideration by the Senate Judiciary Committee on April 23. The bill was introduced in January by Senator McCarran (Nev.) and five other Senators (see INFORMATION LETTER of February 3, page 30).

RAW PRODUCTS

Research on Peaches

Although weather is still the main factor in determining the size of the peach crop, improved varieties and important advances in cultural practices and disease and insect control are helping to stabilize yields of high-quality fruit.

One of the chief objectives of cooperative breeding work carried on during the past seven years has been to extend the production season with superior commercial varieties that ripen earlier or later than Elberta.

The commercial season on the West Coast will be extended by two clingstone varieties, named Coronado and Vivian.

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